

1                   A bill to be entitled  
2           An act relating to insurance; creating s. 11.91, F.S.;  
3           creating the Property Insurance Commission; providing  
4           the membership of the commission; providing for the  
5           appointment of the commission chair and vice chair;  
6           providing for the governance of the commission;  
7           providing powers and duties of the commission;  
8           amending s. 20.121, F.S.; providing for the election  
9           of the Commissioner of Insurance Regulation; providing  
10          for the term of office of the commissioner; conforming  
11          provisions to changes made by the act; creating s.  
12          112.3134, F.S.; prohibiting the commissioner from  
13          engaging in certain activities or employment for a  
14          specified period after leaving office; providing  
15          sanctions for violations; authorizing specified  
16          entities to collect specified penalties; amending s.  
17          494.0026, F.S.; requiring that interest earned on  
18          insurance proceeds received by mortgagees and  
19          assignees be paid to insureds; amending s. 624.401,  
20          F.S.; prohibiting property insurers from claiming  
21          insolvency under specified circumstances; specifying a  
22          condition on insurance activities engaged in within  
23          this state by a person who engages in property  
24          insurance activities in another state; amending s.  
25          627.0629, F.S.; requiring residential property

26 insurers to release specified information to insureds  
27 upon request; amending s. 627.701, F.S.; prohibiting  
28 property insurers from using certain defenses for  
29 denial of claims; amending s. 627.715, F.S.; requiring  
30 insurance agents to provide insurance applicants  
31 written notice advising flood risk; amending s.  
32 627.7152, F.S.; revising requirements for assignment  
33 agreements; creating s. 627.7156, F.S.; requiring the  
34 Financial Services Commission to adopt certain rules;  
35 requiring the Department of Financial Services to  
36 adopt rules regarding its handling of allegations of  
37 insurance fraud made by insurers or their employees or  
38 contractors; providing requirements for such rules;  
39 providing fines; requiring the Office of Program  
40 Policy Analysis and Government Accountability (OPPAGA)  
41 to conduct a study of the effectiveness of the  
42 property insurance mediation program; providing  
43 requirements for the study; requiring OPPAGA to submit  
44 a report to the Legislature by a specified date;  
45 amending chapter 2022-268, Laws of Florida; specifying  
46 appropriations for the My Safe Florida Home Program;  
47 delaying the expiration of the program; conforming  
48 provisions to changes made by the act; providing an  
49 effective date.

50

51 Be It Enacted by the Legislature of the State of Florida:

52

53 Section 1. Section 11.91, Florida Statutes, is created to  
54 read:

55 11.91 Property Insurance Commission.-

56 (1) (a) There is created the Property Insurance Commission,  
57 which shall consist of the following six members:

58 1. Two members appointed by the President of the Senate.

59 2. One member appointed by the Minority Leader of the  
60 Senate.

61 3. Two members appointed by the Speaker of the House of  
62 Representatives.

63 4. One member appointed by the Minority Leader of the  
64 House of Representatives.

65 (b) Each member shall serve at the pleasure of the officer  
66 who appointed the member. A vacancy on the commission must be  
67 filled in the same manner as the original appointment. From  
68 November of each odd-numbered year through October of each even-  
69 numbered year, the chair of the commission shall be appointed by  
70 the President of the Senate, and the vice chair of the  
71 commission shall be appointed by the Speaker of the House of  
72 Representatives. From November of each even-numbered year  
73 through October of each odd-numbered year, the chair of the  
74 commission shall be appointed by the Speaker of the House of  
75 Representatives, and the vice chair of the commission shall be

76 appointed by the President of the Senate. The terms of members  
77 shall be for 2 years and shall run from the organization of one  
78 Legislature to the organization of the next Legislature.

79 (2) The commission is governed by joint rules of the  
80 Senate and the House of Representatives, which rules shall  
81 remain in effect until repealed or amended by concurrent  
82 resolution.

83 (3) The commission may conduct its meetings through  
84 teleconferences or other similar means.

85 (4) The commission must be staffed by legislative staff  
86 members, as assigned by the President of the Senate and the  
87 Speaker of the House of Representatives.

88 (5) The commission shall:

89 (a) Review and evaluate the insurance marketplace and  
90 studies of the various insurance markets.

91 (b) Review and comment on market data produced by the  
92 Office of Insurance Regulation.

93 (c) Review and comment on the setting of reserve  
94 requirements for insurers.

95 (d) Exercise any other powers and perform any other duties  
96 prescribed by the Legislature.

97 Section 2. Paragraphs (a) and (d) of subsection (3) of  
98 section 20.121, Florida Statutes, are amended to read:

99 20.121 Department of Financial Services.—There is created  
100 a Department of Financial Services.

101 (3) FINANCIAL SERVICES COMMISSION.—Effective January 7,  
 102 2003, there is created within the Department of Financial  
 103 Services the Financial Services Commission, composed of the  
 104 Governor, the Attorney General, the Chief Financial Officer, and  
 105 the Commissioner of Agriculture, which shall for purposes of  
 106 this section be referred to as the commission. Commission  
 107 members shall serve as agency head of the Financial Services  
 108 Commission. The commission shall be a separate budget entity and  
 109 shall be exempt from the provisions of s. 20.052. Commission  
 110 action shall be by majority vote consisting of at least three  
 111 affirmative votes. The commission shall not be subject to  
 112 control, supervision, or direction by the Department of  
 113 Financial Services in any manner, including purchasing,  
 114 transactions involving real or personal property, personnel, or  
 115 budgetary matters.

116 (a) *Structure*.—The major structural unit of the commission  
 117 is the office. Each office shall be headed by a director. The  
 118 following offices are established:

119 1. The Office of Insurance Regulation, which shall be  
 120 responsible for all activities concerning insurers and other  
 121 risk bearing entities, including licensing, rates, policy forms,  
 122 market conduct, claims, issuance of certificates of authority,  
 123 solvency, viatical settlements, premium financing, and  
 124 administrative supervision, as provided under the insurance code  
 125 or chapter 636. The head of the Office of Insurance Regulation

126 is the Director of the Office of Insurance Regulation, who may  
127 also be known as the Commissioner of Insurance Regulation.  
128 Beginning with the 2026 general election, the Commissioner of  
129 Insurance Regulation must be elected. Each Commissioner of  
130 Insurance Regulation shall serve a term of 4 years concurrent  
131 with Cabinet officers as specified s. 5, Art. IV of the State  
132 Constitution.

133 2. The Office of Financial Regulation, which shall be  
134 responsible for all activities of the Financial Services  
135 Commission relating to the regulation of banks, credit unions,  
136 other financial institutions, finance companies, and the  
137 securities industry. The head of the office is the Director of  
138 the Office of Financial Regulation, who may also be known as the  
139 Commissioner of Financial Regulation. The Office of Financial  
140 Regulation shall include a Bureau of Financial Investigations,  
141 which shall function as a criminal justice agency for purposes  
142 of ss. 943.045-943.08 and shall have a separate budget. The  
143 bureau may conduct investigations within or outside this state  
144 as the bureau deems necessary to aid in the enforcement of this  
145 section. If, during an investigation, the office has reason to  
146 believe that any criminal law of this state has or may have been  
147 violated, the office shall refer any records tending to show  
148 such violation to state or federal law enforcement or  
149 prosecutorial agencies and shall provide investigative  
150 assistance to those agencies as required.

151 (d) Appointment and qualification ~~qualifications of the~~  
 152 Director of the Office of Financial Regulation ~~directors.~~—The  
 153 commission shall appoint or remove the each Director of the  
 154 Office of Financial Regulation by a majority vote consisting of  
 155 at least three affirmative votes, with both the Governor and the  
 156 Chief Financial Officer on the prevailing side. Before ~~The~~  
 157 ~~minimum qualifications of the directors are as follows:~~

158 ~~1. Prior to appointment as director, the Director of the~~  
 159 ~~Office of Insurance Regulation must have had, within the~~  
 160 ~~previous 10 years, at least 5 years of responsible private~~  
 161 ~~sector experience working full time in areas within the scope of~~  
 162 ~~the subject matter jurisdiction of the Office of Insurance~~  
 163 ~~Regulation or at least 5 years of experience as a senior~~  
 164 ~~examiner or other senior employee of a state or federal agency~~  
 165 ~~having regulatory responsibility over insurers or insurance~~  
 166 ~~agencies.~~

167 ~~2. Prior to appointment as director, the Director of the~~  
 168 ~~Office of Financial Regulation must have had, within the~~  
 169 ~~previous 10 years, at least 5 years of responsible private~~  
 170 ~~sector experience working full time in areas within the subject~~  
 171 ~~matter jurisdiction of the Office of Financial Regulation or at~~  
 172 ~~least 5 years of experience as a senior examiner or other senior~~  
 173 ~~employee of a state or federal agency having regulatory~~  
 174 ~~responsibility over financial institutions, finance companies,~~  
 175 ~~or securities companies.~~

176 Section 3. Section 112.3134, Florida Statutes, is created  
 177 to read:

178 112.3134 Commissioner of Insurance Regulation; Office of  
 179 Insurance Regulation.—

180 (1) For a period of 7 years after vacating the office as  
 181 Commissioner of Insurance Regulation, a person who has served as  
 182 Commissioner of Insurance Regulation may not do any of the  
 183 following:

184 (a) Personally represent another person or entity for  
 185 compensation before the Office of Insurance Regulation.

186 (b) Serve as an employee or contractor of an entity  
 187 regulated by the Office of Insurance Regulation.

188 (2) A violation of subsection (1) is punishable by any of  
 189 the following:

190 (a) Public censure and reprimand.

191 (b) A civil penalty not to exceed \$10,000.

192 (c) Forfeiture of any pecuniary benefits received for such  
 193 violation. The amount of the pecuniary benefits must be paid to  
 194 the General Revenue Fund.

195 (3) The Attorney General and Chief Financial Officer are  
 196 independently authorized to collect any penalty imposed under  
 197 this section.

198 Section 4. Subsection (2) of section 494.0026, Florida  
 199 Statutes, is amended to read:

200 494.0026 Disposition of insurance proceeds.—The following

201 provisions apply to mortgage loans held by a mortgagee or  
 202 assignee that is subject to part II or part III of this chapter.

203 (2) (a) Insurance proceeds received by a mortgagee or an  
 204 assignee which ~~that~~ relate to compensation for damage to  
 205 property or contents insurance coverage in which the mortgagee  
 206 or assignee has a security interest must be promptly deposited  
 207 into a segregated account of a federally insured financial  
 208 institution.

209 (b) Any interest earned on insurance proceeds received by  
 210 a mortgagee or an assignee which relate to compensation for  
 211 damage to property or contents insurance coverage in which the  
 212 mortgagee or assignee has a security interest must be paid to  
 213 the insured.

214  
 215 This section may not be construed to prevent an insurance  
 216 company from paying the insured directly for additional living  
 217 expenses or paying the insured directly for contents insurance  
 218 coverage if the mortgagee or assignee does not have a security  
 219 interest in the contents.

220 Section 5. Section 624.401, Florida Statutes, is amended  
 221 to read:

222 624.401 Certificate of authority required; insurer  
 223 activities.-

224 (1) No person shall act as an insurer, and no insurer or  
 225 its agents, attorneys, subscribers, or representatives shall

226 directly or indirectly transact insurance, in this state except  
227 as authorized by a subsisting certificate of authority issued to  
228 the insurer by the office, except as to such transactions as are  
229 expressly otherwise provided for in this code.

230 (2) No insurer shall from offices or by personnel or  
231 facilities located in this state solicit insurance applications  
232 or otherwise transact insurance in another state or country  
233 unless it holds a subsisting certificate of authority issued to  
234 it by the office authorizing it to transact the same kind or  
235 kinds of insurance in this state.

236 (3) This state hereby preempts the field of regulating  
237 insurers and their agents and representatives; and no county,  
238 city, municipality, district, school district, or political  
239 subdivision shall require of any insurer, agent, or  
240 representative regulated under this code any authorization,  
241 permit, or registration of any kind for conducting transactions  
242 lawful under the authority granted by the state under this code.

243 (4) (a) Any person who acts as an insurer, transacts  
244 insurance, or otherwise engages in insurance activities in this  
245 state without a certificate of authority in violation of this  
246 section commits a felony of the third degree, punishable as  
247 provided in s. 775.082, s. 775.083, or s. 775.084.

248 (b) However, any person acting as an insurer without a  
249 valid certificate of authority who violates this section commits  
250 insurance fraud, punishable as provided in this paragraph. If

251 the amount of any insurance premium collected with respect to  
252 any violation of this section:

253 1. Is less than \$20,000, the offender commits a felony of  
254 the third degree, punishable as provided in s. 775.082, s.  
255 775.083, or s. 775.084, and the offender shall be sentenced to a  
256 minimum term of imprisonment of 1 year.

257 2. Is \$20,000 or more, but less than \$100,000, the  
258 offender commits a felony of the second degree, punishable as  
259 provided in s. 775.082, s. 775.083, or s. 775.084, and the  
260 offender shall be sentenced to a minimum term of imprisonment of  
261 18 months.

262 3. Is \$100,000 or more, the offender commits a felony of  
263 the first degree, punishable as provided in s. 775.082, s.  
264 775.083, or s. 775.084, and the offender shall be sentenced to a  
265 minimum term of imprisonment of 2 years.

266 (5)(a) A property insurer may not claim insolvency in this  
267 state if the insurer still acts as an insurer, transacts  
268 insurance, or otherwise engages in insurance activities in any  
269 state other than this state, regardless of whether these  
270 insurance activities are property insurance activities.

271 (b) Effective January 1, 2025, any person who acts as a  
272 property insurer, transacts property insurance, or otherwise  
273 engages in property insurance activities in any state other than  
274 this state may not act as an insurer, transact insurance, or  
275 otherwise engage in insurance activities in this state unless

276 | that person does not exclude property insurance from the  
 277 | person's insurance transactions or activities.

278 | Section 6. Subsection (10) is added to section 627.0629,  
 279 | Florida Statutes, to read:

280 | 627.0629 Residential property insurance; rate filings.—

281 | (10) An insurer must release to an insured all information  
 282 | relating to an inspection or an underwriting report upon the  
 283 | insured's request.

284 | Section 7. Section 627.701, Florida Statutes, is amended  
 285 | to read:

286 | 627.701 Liability of insureds; coinsurance; deductibles;  
 287 | prohibited denials of claims.—

288 | (1) A property insurer may issue an insurance policy or  
 289 | contract covering either real or personal property in this state  
 290 | which contains provisions requiring the insured to be liable as  
 291 | a coinsurer with the insurer issuing the policy for any part of  
 292 | the loss or damage by covered peril to the property described in  
 293 | the policy only if:

294 | (a) The following words are printed or stamped on the face  
 295 | of the policy, or a form containing the following words is  
 296 | attached to the policy: "Coinsurance contract: The rate charged  
 297 | in this policy is based upon the use of the coinsurance clause  
 298 | attached to this policy, with the consent of the insured.";

299 | (b) The coinsurance clause in the policy is clearly  
 300 | identifiable; and

301 (c) The rate for the insurance with or without the  
 302 coinsurance clause is furnished the insured upon his or her  
 303 request.

304 (2) Unless the office determines that the deductible  
 305 provision is clear and unambiguous, a property insurer may not  
 306 issue an insurance policy or contract covering real property in  
 307 this state which contains a deductible provision that:

308 (a) Applies solely to hurricane losses.

309 (b) States the deductible as a percentage rather than as a  
 310 specific amount of money.

311 (c) Applies solely to a roof loss as provided in  
 312 subsection (10).

313 (3)(a) Except as otherwise provided in this subsection,  
 314 prior to issuing a personal lines residential property insurance  
 315 policy, the insurer must offer alternative deductible amounts  
 316 applicable to hurricane losses equal to \$500, 2 percent, 5  
 317 percent, and 10 percent of the policy dwelling limits, unless  
 318 the specific percentage deductible is less than \$500. The  
 319 written notice of the offer shall specify the hurricane  
 320 deductible to be applied in the event that the applicant or  
 321 policyholder fails to affirmatively choose a hurricane  
 322 deductible. The insurer must provide such policyholder with  
 323 notice of the availability of the deductible amounts specified  
 324 in this subsection in a form approved by the office in  
 325 conjunction with each renewal of the policy. The failure to

326 provide such notice constitutes a violation of this code but  
327 does not affect the coverage provided under the policy.

328 (b) This subsection does not apply with respect to a  
329 deductible program lawfully in effect on June 14, 1995, or to  
330 any similar deductible program, if the deductible program  
331 requires a minimum deductible amount of no less than 2 percent  
332 of the policy limits.

333 (c) With respect to a policy covering a risk with dwelling  
334 limits of at least \$100,000, but less than \$250,000, the insurer  
335 may, in lieu of offering a policy with a \$500 hurricane  
336 deductible as required by paragraph (a), offer a policy that the  
337 insurer guarantees it will not nonrenew for reasons of reducing  
338 hurricane loss for one renewal period and that contains up to a  
339 2 percent hurricane deductible as required by paragraph (a).

340 (d) For the following policies, the following alternative  
341 deductible amounts are authorized:

342 1. With respect to a policy covering a risk with dwelling  
343 limits of \$250,000 or more, the insurer need not offer the \$500  
344 hurricane deductible as required by paragraph (a), but must,  
345 except as otherwise provided in this subsection, offer the other  
346 hurricane deductibles as required by paragraph (a).

347 2. With respect to a policy covering a risk with dwelling  
348 limits of \$1 million or more, but less than \$3 million, the  
349 insurer may, in lieu of offering the 2 percent deductible as  
350 required by paragraph (a), offer a deductible amount applicable

351 to hurricane losses equal to 3 percent of the policy dwelling  
 352 limits.

353 3. With respect to a policy covering a risk with dwelling  
 354 limits of \$3 million or more, the insurer need not offer the 2  
 355 percent deductible as required by paragraph (a), but must,  
 356 except as otherwise provided by this subsection, offer the other  
 357 hurricane deductibles as required by paragraph (a).

358 (4)(a) Any policy that contains a separate hurricane  
 359 deductible must on its face include in boldfaced type no smaller  
 360 than 18 points the following statement: "THIS POLICY CONTAINS A  
 361 SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY RESULT IN  
 362 HIGH OUT-OF-POCKET EXPENSES TO YOU." A policy containing a  
 363 coinsurance provision applicable to hurricane losses must on its  
 364 face include in boldfaced type no smaller than 18 points the  
 365 following statement: "THIS POLICY CONTAINS A CO-PAY PROVISION  
 366 THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."

367 (b) For any personal lines residential property insurance  
 368 policy containing a separate hurricane deductible, the insurer  
 369 shall compute and prominently display the actual dollar value of  
 370 the hurricane deductible on the declarations page of the policy  
 371 at issuance and, for renewal, on the renewal declarations page  
 372 of the policy or on the premium renewal notice.

373 (c) For any personal lines residential property insurance  
 374 policy containing an inflation guard rider, the insurer shall  
 375 compute and prominently display the actual dollar value of the

376 hurricane deductible on the declarations page of the policy at  
377 issuance and, for renewal, on the renewal declarations page of  
378 the policy or on the premium renewal notice. In addition, for  
379 any personal lines residential property insurance policy  
380 containing an inflation guard rider, the insurer shall notify  
381 the policyholder of the possibility that the hurricane  
382 deductible may be higher than indicated when loss occurs due to  
383 application of the inflation guard rider. Such notification  
384 shall be made on the declarations page of the policy at issuance  
385 and, for renewal, on the renewal declarations page of the policy  
386 or on the premium renewal notice.

387 (d)1. A personal lines residential property insurance  
388 policy covering a risk valued at less than \$500,000 may not have  
389 a hurricane deductible in excess of 10 percent of the policy  
390 dwelling limits, unless the following conditions are met:

391 a. The policyholder must personally write or type and  
392 provide to the insurer the following statement and sign his or  
393 her name, which must also be signed by every other named insured  
394 on the policy, and dated: "I do not want the insurance on my  
395 home to pay for the first (specify dollar value) of damage from  
396 hurricanes. I will pay those costs. My insurance will not."

397 b. If the structure insured by the policy is subject to a  
398 mortgage or lien, the policyholder must provide the insurer with  
399 a written statement from the mortgageholder or lienholder  
400 indicating that the mortgageholder or lienholder approves the

401 policyholder electing to have the specified deductible.

402 2. A deductible subject to the requirements of this  
 403 paragraph applies for the term of the policy and for each  
 404 renewal thereafter. Changes to the deductible percentage may be  
 405 implemented only as of the date of renewal.

406 3. An insurer shall keep the original copy of the signed  
 407 statement required by this paragraph, electronically or  
 408 otherwise, and provide a copy to the policyholder providing the  
 409 signed statement. A signed statement meeting the requirements of  
 410 this paragraph creates a presumption that there was an informed,  
 411 knowing election of coverage.

412 4. The commission shall adopt rules providing appropriate  
 413 alternative methods for providing the statements required by  
 414 this section for policyholders who have a handicapping or  
 415 disabling condition that prevents them from providing a  
 416 handwritten statement.

417 (e)1. A personal lines residential property insurance  
 418 policy that contains a separate roof deductible must include, on  
 419 the page immediately behind the declarations page, with no other  
 420 policy language on the page, in boldfaced type no smaller than  
 421 18 point, the following statement: "YOU ARE ELECTING TO PURCHASE  
 422 COVERAGE ON YOUR HOME WHICH CONTAINS A SEPARATE DEDUCTIBLE FOR  
 423 ROOF LOSSES. BE ADVISED THAT THIS MAY RESULT IN HIGH OUT-OF-  
 424 POCKET EXPENSES TO YOU. PLEASE DISCUSS WITH YOUR INSURANCE  
 425 AGENT."

426           2. For any personal lines residential property insurance  
427 policy containing a separate roof deductible, the insurer shall  
428 compute and prominently display on the declarations page of the  
429 policy or on the premium renewal notice the actual dollar value  
430 of the roof deductible of the policy at issuance and renewal.

431           (5) (a) The hurricane deductible of any personal lines  
432 residential property insurance policy issued or renewed on or  
433 after May 1, 2005, shall be applied as follows:

434           1. The hurricane deductible shall apply on an annual basis  
435 to all covered hurricane losses that occur during the calendar  
436 year for losses that are covered under one or more policies  
437 issued by the same insurer or an insurer in the same insurer  
438 group.

439           2. If a hurricane deductible applies separately to each of  
440 one or more structures insured under a single policy, the  
441 requirements of this paragraph apply with respect to the  
442 deductible for each structure.

443           3. If there was a hurricane loss for a prior hurricane or  
444 hurricanes during the calendar year, the insurer may apply a  
445 deductible to a subsequent hurricane which is the greater of the  
446 remaining amount of the hurricane deductible or the amount of  
447 the deductible that applies to perils other than a hurricane.  
448 Insurers may require policyholders to report hurricane losses  
449 that are below the hurricane deductible or to maintain receipts  
450 or other records of such hurricane losses in order to apply such

451 losses to subsequent hurricane claims.

452 4. If there are hurricane losses in a calendar year on  
453 more than one policy issued by the same insurer or an insurer in  
454 the same insurer group, the hurricane deductible shall be the  
455 highest amount stated in any one of the policies. If a  
456 policyholder who had a hurricane loss under the prior policy is  
457 provided or offered a lower hurricane deductible under the new  
458 or renewal policy, the insurer must notify the policyholder, in  
459 writing, at the time the lower hurricane deductible is provided  
460 or offered, that the lower hurricane deductible will not apply  
461 until January 1 of the following calendar year.

462 (b) For commercial residential property insurance policies  
463 issued or renewed on or after January 1, 2006, the insurer must  
464 offer the policyholder the following alternative hurricane  
465 deductibles:

466 1. A hurricane deductible that applies on an annual basis  
467 as provided in paragraph (a); and

468 2. A hurricane deductible that applies to each hurricane.

469 (6)(a) It is the intent of the Legislature to encourage  
470 the use of higher hurricane deductibles as a means of increasing  
471 the effective capacity of the hurricane insurance market in this  
472 state and as a means of limiting the impact of rapidly changing  
473 hurricane insurance premiums. The Legislature finds that the  
474 hurricane deductibles specified in this subsection are  
475 reasonable when a property owner has made adequate provision for

476 restoration of the property to its full value after a  
 477 catastrophic loss.

478 (b) A personal lines residential insurance policy  
 479 providing hurricane coverage may, at the mutual option of the  
 480 insured and insurer, include a secured hurricane deductible as  
 481 described in paragraph (c) if the applicant presents the insurer  
 482 a certificate of security as described in paragraph (d). An  
 483 insurer may not directly or indirectly require a secured  
 484 deductible under this subsection as a condition of issuing or  
 485 renewing a policy. A certificate of security is not required  
 486 with respect to an applicant who owns a 100 percent equity  
 487 interest in the property.

488 (c) A secured hurricane deductible must include the  
 489 substance of the following:

490 1. The first \$500 of any claim, regardless of the peril  
 491 causing the loss, is fully deductible.

492 2. With respect to hurricane losses only, the next \$5,000  
 493 in losses are fully insured, subject only to a copayment  
 494 requirement of 10 percent.

495 3. With respect to hurricane losses only, the remainder of  
 496 the claim is subject to a deductible equal to a specified  
 497 percentage of the policy dwelling limits in excess of the  
 498 deductible allowed under former paragraph (3) (a) but no higher  
 499 than 10 percent of the policy dwelling limits.

500 4. The insurer agrees to renew the coverage on a

501 guaranteed basis for a period of years after initial issuance of  
 502 the secured deductible equal to at least 1 year for each 2  
 503 percentage points of deductible specified in subparagraph 3.  
 504 unless the policy is canceled for nonpayment of premium or the  
 505 insured fails to maintain the certificate of security. Such  
 506 renewal shall be at the same premium as the initial policy  
 507 except for premium changes attributable to changes in the value  
 508 of the property.

509 (d) The office shall draft and formally propose as a rule  
 510 the form for the certificate of security. The certificate of  
 511 security may be issued in any of the following circumstances:

512 1. A mortgage lender or other financial institution may  
 513 issue a certificate of security after granting the applicant a  
 514 line of credit, secured by equity in real property or other  
 515 reasonable security, which line of credit may be drawn on only  
 516 to pay for the deductible portion of insured construction or  
 517 reconstruction after a hurricane loss. In the sole discretion of  
 518 the mortgage lender or other financial institution, the line of  
 519 credit may be issued to an applicant on an unsecured basis.

520 2. A licensed insurance agent may issue a certificate of  
 521 security after obtaining for an applicant a line of credit,  
 522 secured by equity in real property or other reasonable security,  
 523 which line of credit may be drawn on only to pay for the  
 524 deductible portion of insured construction or reconstruction  
 525 after a hurricane loss. The Florida Hurricane Catastrophe Fund

526 shall negotiate agreements creating a financing consortium to  
527 serve as an additional source of lines of credit to secure  
528 deductibles. Any licensed insurance agent may act as the agent  
529 of such consortium.

530 3. Any person qualified to act as a trustee for any  
531 purpose may issue a certificate of security secured by a pledge  
532 of assets, with the restriction that the assets may be drawn on  
533 only to pay for the deductible portion of insured construction  
534 or reconstruction after a hurricane loss.

535 4. Any insurer, including any admitted insurer or any  
536 surplus lines insurer, may issue a certificate of security after  
537 issuing the applicant a policy of supplemental insurance that  
538 will pay for 100 percent of the deductible portion of insured  
539 construction or reconstruction after a hurricane loss.

540 5. Any other method approved by the office upon finding  
541 that such other method provides a similar level of security as  
542 the methods specified in this paragraph and that such other  
543 method has no negative impact on residential property insurance  
544 catastrophic capacity. The legislative intent of this  
545 subparagraph is to provide the flexibility needed to achieve the  
546 public policy of expanding property insurance capacity while  
547 improving the affordability of property insurance.

548 (e) An issuer of a certificate of security may terminate  
549 the certificate for failure to honor any of the terms of the  
550 underlying financial arrangement. The issuer must provide notice

551 of termination to the insurer within 10 working days after  
552 termination. Unless the policyholder obtains a replacement  
553 certificate of security within an additional 20 working days  
554 after such notice, the deductible provision in the policy must  
555 revert to a lower deductible otherwise offered by the insurer  
556 and the policyholder is responsible for any additional premium  
557 required for a policy with such deductible.

558 (7) Prior to issuing a personal lines residential property  
559 insurance policy on or after April 1, 1997, or prior to the  
560 first renewal of a residential property insurance policy on or  
561 after April 1, 1997, the insurer must offer a deductible equal  
562 to \$500 applicable to losses from perils other than hurricane.  
563 The insurer must provide the policyholder with notice of the  
564 availability of the deductible specified in this subsection in a  
565 form approved by the office at least once every 3 years. The  
566 failure to provide such notice constitutes a violation of this  
567 code but does not affect the coverage provided under the policy.  
568 An insurer may require a higher deductible only as part of a  
569 deductible program lawfully in effect on June 1, 1996, or as  
570 part of a similar deductible program.

571 (8) Notwithstanding the other provisions of this section  
572 or of other law, but only as to hurricane coverage as defined in  
573 s. 627.4025 for commercial lines residential coverages, an  
574 insurer may offer a deductible in an amount not exceeding 10  
575 percent of the insured value if, at the time of such offer and

576 | at each renewal, the insurer also offers to the policyholder a  
 577 | deductible in the amount of 3 percent of the insured value.  
 578 | Nothing in this subsection prohibits any deductible otherwise  
 579 | authorized by this section. All forms by which the offers  
 580 | authorized in this subsection are made or required to be made  
 581 | shall be on forms that are adopted or approved by the commission  
 582 | or office.

583 |         (9) With respect to hurricane coverage provided in a  
 584 | policy of residential coverage, when the policyholder has taken  
 585 | appropriate hurricane mitigation measures regarding the  
 586 | residence covered under the policy, the insurer shall provide  
 587 | the insured the option of selecting an appropriate reduction in  
 588 | the policy's hurricane deductible or selecting the appropriate  
 589 | discount credit or other rate differential as provided in s.  
 590 | 627.0629. The insurer must provide the policyholder with notice  
 591 | of the options available under this subsection on a form  
 592 | approved by the office.

593 |         (10) (a) Notwithstanding any other provision of law, an  
 594 | insurer issuing a personal lines residential property insurance  
 595 | policy may include in such policy a separate roof deductible  
 596 | that meets all of the following requirements:

597 |             1. The insurer has complied with the offer requirements  
 598 | under subsection (7) regarding a deductible applicable to losses  
 599 | from perils other than a hurricane.

600 |             2. The roof deductible may not exceed the lesser of 2

601 percent of the Coverage A limit of the policy or 50 percent of  
 602 the cost to replace the roof.

603 3. The premium that a policyholder is charged for the  
 604 policy includes an actuarially sound credit or premium discount  
 605 for the roof deductible.

606 4. The roof deductible applies only to a claim adjusted on  
 607 a replacement cost basis.

608 5. The roof deductible does not apply to any of the  
 609 following events:

610 a. A total loss to a primary structure in accordance with  
 611 the valued policy law under s. 627.702 which is caused by a  
 612 covered peril.

613 b. A roof loss resulting from a hurricane as defined in s.  
 614 627.4025(2)(c).

615 c. A roof loss resulting from a tree fall or other hazard  
 616 that damages the roof and punctures the roof deck.

617 d. A roof loss requiring the repair of less than 50  
 618 percent of the roof.

619

620 If a roof deductible is applied, no other deductible under the  
 621 policy may be applied to the loss or to any other loss to the  
 622 property caused by the same covered peril.

623 (b) At the time of initial issuance of a personal lines  
 624 residential property insurance policy, an insurer may offer the  
 625 policyholder a separate roof deductible with the ability to opt-

HB 1017

2024

626 out and reject the separate roof deductible. To reject a  
627 separate roof deductible, the policyholder shall sign a form  
628 approved by the office.

629 (c) At the time of renewal, an insurer may add a separate  
630 roof deductible to a personal lines residential property  
631 insurance policy if the insurer provides a notice of change in  
632 policy terms pursuant to s. 627.43141. The insurer must also  
633 offer the policyholder the ability to opt-out and reject the  
634 separate roof deductible. To reject a separate roof deductible,  
635 the policyholder shall sign a form approved by the office.

636 (d) The office shall expedite the review of any filing of  
637 insurance forms that only contain a separate roof deductible  
638 pursuant to this subsection. The commission may adopt model  
639 forms or guidelines that provide options for roof deductible  
640 language which may be used for filing by insurers. If an insurer  
641 makes a filing pursuant to a model form or guideline issued by  
642 the office, the office must review the filing within the initial  
643 30-day review period authorized by s. 627.410(2), and the roof  
644 deductible portion of the filing is not subject to the 15-day  
645 extension for review under that subsection.

646 (11) A property insurer that issues or renews an insurance  
647 policy or contract covering real property in this state on or  
648 after January 1, 2025, may not use a property's preexisting  
649 condition, a date of loss that predates the date of a claim, or  
650 faulty installation or workmanship as a defense for denying a

651 claim.

652 Section 8. Subsection (8) of section 627.715, Florida  
 653 Statutes, is amended to read:

654 627.715 Flood insurance.—An authorized insurer may issue  
 655 an insurance policy, contract, or endorsement providing personal  
 656 lines residential coverage for the peril of flood or excess  
 657 coverage for the peril of flood on any structure or the contents  
 658 of personal property contained therein, subject to this section.  
 659 This section does not apply to commercial lines residential or  
 660 commercial lines nonresidential coverage for the peril of flood.  
 661 An insurer may issue flood insurance policies, contracts,  
 662 endorsements, or excess coverage on a standard, preferred,  
 663 customized, flexible, or supplemental basis.

664 (8)(a) An agent must provide a written notice to be signed  
 665 by every ~~the~~ applicant advising the applicant of flood risk.

666 (b) If ~~before~~ the agent places flood insurance coverage  
 667 with an admitted or surplus lines insurer for a property  
 668 receiving flood insurance under the National Flood Insurance  
 669 Program, the agent, before placing new flood coverage for the  
 670 property, must also provide to the applicant a written. ~~The~~  
 671 notice advising ~~must notify~~ the applicant that, if the applicant  
 672 discontinues coverage under the National Flood Insurance Program  
 673 which is provided at a subsidized rate, the full risk rate for  
 674 flood insurance may apply to the property if the applicant later  
 675 seeks to reinstate coverage under the program.

HB 1017

2024

676 Section 9. Paragraph (a) of subsection (2) of section  
677 627.7152, Florida Statutes, is amended to read:

678 627.7152 Assignment agreements.—

679 (2)(a) An assignment agreement must:

680 1. Be executed under a residential property insurance  
681 policy or under a commercial property insurance policy as that  
682 term is defined in s. 627.0625(1), issued on or after July 1,  
683 2019, and before January 1, 2023.

684 2. Be in writing and executed by and between the assignor  
685 and the assignee.

686 3. Contain a provision that allows the assignor to rescind  
687 the assignment agreement without a penalty or fee by submitting  
688 a written notice of rescission signed by the assignor to the  
689 assignee within 14 days after the execution of the agreement, at  
690 least 30 days after the date work on the property is scheduled  
691 to commence if the assignee has not substantially performed, or  
692 at least 30 days after the execution of the agreement if the  
693 agreement does not contain a commencement date and the assignee  
694 has not begun substantial work on the property.

695 4. Contain a provision requiring the assignee to provide a  
696 copy of the executed assignment agreement to the insurer within  
697 3 business days after the date on which the assignment agreement  
698 is executed or the date on which work begins, whichever is  
699 earlier. Delivery of the copy of the assignment agreement to the  
700 insurer may be made:

701 a. By personal service, overnight delivery, or electronic  
 702 transmission, with evidence of delivery in the form of a receipt  
 703 or other paper or electronic acknowledgment by the insurer; or

704 b. To the location designated for receipt of such  
 705 agreements as specified in the policy.

706 5. Contain a written, itemized, per-unit cost estimate of  
 707 the services to be performed by the assignee.

708 6. Relate only to work to be performed by the assignee for  
 709 services to protect, repair, restore, or replace a dwelling or  
 710 structure or to mitigate against further damage to such  
 711 property.

712 7. Contain the following notice in 18-point uppercase and  
 713 boldfaced type:

714  
 715 YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE UNDER YOUR  
 716 INSURANCE POLICY TO A THIRD PARTY, WHICH MAY RESULT IN  
 717 LITIGATION AGAINST YOUR INSURER. PLEASE READ AND UNDERSTAND THIS  
 718 DOCUMENT BEFORE SIGNING IT. YOU HAVE THE RIGHT TO CANCEL THIS  
 719 AGREEMENT WITHOUT PENALTY WITHIN 14 DAYS AFTER THE DATE THIS  
 720 AGREEMENT IS EXECUTED, AT LEAST 30 DAYS AFTER THE DATE WORK ON  
 721 THE PROPERTY IS SCHEDULED TO COMMENCE IF THE ASSIGNEE HAS NOT  
 722 SUBSTANTIALLY PERFORMED, OR AT LEAST 30 DAYS AFTER THE EXECUTION  
 723 OF THE AGREEMENT IF THE AGREEMENT DOES NOT CONTAIN A  
 724 COMMENCEMENT DATE AND THE ASSIGNEE HAS NOT BEGUN SUBSTANTIAL  
 725 WORK ON THE PROPERTY. HOWEVER, YOU ARE OBLIGATED FOR PAYMENT OF

726 ANY CONTRACTED WORK PERFORMED BEFORE THE AGREEMENT IS RESCINDED.  
727 THIS AGREEMENT DOES NOT CHANGE YOUR OBLIGATION TO PERFORM THE  
728 DUTIES REQUIRED UNDER YOUR PROPERTY INSURANCE POLICY.

729  
730 8. Contain a notice in 18-point uppercase and boldfaced  
731 type disclosing that the assignee is prohibited from taking any  
732 legal action without the assignor's permission, including, but  
733 not limited to, making a presuit settlement demand or presuit  
734 settlement offer.

735 9. Contain a provision requiring the assignee to indemnify  
736 and hold harmless the assignor from all liabilities, damages,  
737 losses, and costs, including, but not limited to, attorney fees.

738 Section 10. Section 627.7156, Florida Statutes, is created  
739 to read:

740 627.7156 Commission rulemaking.—By January 1, 2025, the  
741 Financial Services Commission shall adopt rules:

742 (1) Requiring that each time legislation creating or  
743 amending law to reform property insurance takes effect, property  
744 insurers offer a premium rate reduction to their insureds.

745 (2) Ensuring that insurance fraud committed by any person  
746 can be easily reported, investigated, and, if necessary,  
747 prosecuted.

748 (3) Redetermining flood zones statewide for use when  
749 assigning flood risks.

750 Section 11. No later than October 1, 2025, the Department

751 of Financial Services shall adopt rules regarding its handling  
752 of any allegation made by an insurer or an employee or  
753 contractor thereof of insurance fraud in connection with any  
754 violation specified in s. 626.9892(2), Florida Statutes. Such  
755 rules must require that:

756 (1) The Department of Financial Services inform the  
757 Division of Investigative and Forensic Services of any such  
758 allegation.

759 (2) The department promptly investigate such allegations.

760 (3) If the department determines that there was no fraud,  
761 the insurer alleging such fraud be appropriately sanctioned by a  
762 fine of up to \$100,000.

763 (4) All documents relating to such sanctions are public  
764 records.

765 Section 12. (1) The Office of Program Policy Analysis and  
766 Government Accountability (OPPAGA) shall conduct a study to  
767 evaluate the effectiveness of the property insurance mediation  
768 program set forth in s. 627.7015, Florida Statutes. The study's  
769 scope must include, but need not be limited to:

770 (a) Improvements in the public's awareness of the program  
771 and the advantages of participation in the program.

772 (b) Program resource needs.

773 (2) The study must include recommendations for any changes  
774 needed to improve the efficiency of the program to maximize its  
775 usefulness as an alternative to litigation.

776           (3) In conducting the study, OPPAGA shall consult with the  
777 Department of Financial Services, insurers, and organizations  
778 representing insurance consumers.

779           (4) OPPAGA shall submit a report on its findings to the  
780 President of the Senate and the Speaker of the House of  
781 Representatives by December 1, 2025.

782           Section 13. Section 4 of chapter 2022-268, Laws of  
783 Florida, is amended to read:

784           Section 4. (1) For the 2024-2025 ~~2022-2023~~ fiscal year,  
785 the sum of \$300 ~~\$150~~ million in nonrecurring funds is  
786 appropriated from the General Revenue Fund to the Department of  
787 Financial Services for the My Safe Florida Home Program. The  
788 funds shall be placed in reserve. The department shall submit  
789 budget amendments requesting release of the funds held in  
790 reserve pursuant to chapter 216, Florida Statutes. The budget  
791 amendments shall include a detailed spending plan.

792           (2) The funds must ~~shall~~ be allocated as follows:

793           (a) Fifty ~~Twenty-five~~ million dollars for hurricane  
794 mitigation inspections.

795           (b) Two hundred thirty ~~One hundred fifteen~~ million dollars  
796 for mitigation grants.

797           (c) Eight ~~Four~~ million dollars for education and consumer  
798 awareness.

799           (d) Two ~~One~~ million dollars for public outreach for  
800 contractors and real estate brokers and sales associates.

801 (e) Ten ~~Five~~ million dollars for administrative costs.

802 (3) Any unexpended balance of funds from this  
 803 appropriation remaining on June 30, 2025 ~~2023~~, shall revert and  
 804 is appropriated to the Department of Financial Services for the  
 805 2025-2026 ~~2023-2024~~ fiscal year for the same purpose.

806 (4) The department may adopt emergency rules pursuant to  
 807 s. 120.54, Florida Statutes, at any time, as are necessary to  
 808 implement this section and s. 215.5586, Florida Statutes, as  
 809 amended by this act. The Legislature finds that such emergency  
 810 rulemaking authority is necessary to address a critical need in  
 811 the state's problematic property insurance market. The  
 812 Legislature further finds that the uniquely short timeframe  
 813 needed to effectively implement this section for the 2024-2025  
 814 ~~2022-2023~~ fiscal year requires that the department adopt rules  
 815 as quickly as practicable. Therefore, in adopting such emergency  
 816 rules, the department need not make the findings required by s.  
 817 120.54(4)(a), Florida Statutes. Emergency rules adopted under  
 818 this section are exempt from s. 120.54(4)(c), Florida Statutes,  
 819 and shall remain in effect until replaced by rules adopted under  
 820 the nonemergency rulemaking procedures of chapter 120, Florida  
 821 Statutes, which must occur no later than July 1, 2025 ~~2023~~.

822 (5) This section expires ~~shall expire~~ on October 1, 2026  
 823 ~~2024~~.

824 Section 14. This act shall take effect July 1, 2024.